
USE OF FUNDS FOR AFFORDABLE HOUSING

1. Homeownership Promotion

Homebuyer Assistance, Housing Recycling and Preservation

During FY 2004, DHCD assisted in the creation of 231 first-time homeowners by providing Home Purchase Assistance (HPAP) loans). DHCD expended \$2.0 million in CDBG funds, and \$425,181 million in HOME funds, supplemented by \$2.9 million in local appropriated funds for these HPAP home ownership activities. These funds leveraged approximately \$31.3 million in private sector dollars - a private-public ratio of 9:1. In addition, DHCD helped 109 tenants in the process of converting their rental units to ownership, and provided 29 loans/grants to assist single-family owner occupants to rehabilitate their homes. (See Table 13)

The Homestead Housing Preservation Program did not operate a lottery in FY 2004. The Homestead budget was used for staffing the continuing home rehabilitation efforts associated with housing units that had been made available through Homestead lotteries in past years. A number of the Homesteaders from prior year lotteries had not been able to complete the renovation of their homes to make them habitable in the first few years after the award of their homes. This resulted from a combination of factors, such as: changes in the personal circumstances of the Homesteader, including, but not limited to, financial circumstances; and the difficulty in securing reasonable-priced home rehab construction services in a market where competition for these services is tight. As a result, several projects have had to be continued for multiple years, and the Homestead Program made a concerted effort to work with those Homesteaders to bring those projects to conclusion in FY 2004 or not later than in FY 2005.

In addition, the Program expended resources in our continuing efforts to clear title to additional tax delinquent properties, with the objective of conducting a Homestead lottery in FY 2005. This effort, too has become extremely labor intensive, as a result of the fierce competition among property developers for residential real estate in the District.

Table13: Homeownership and Home Rehabilitation Expense, FY 2004

Program	Units	CDBG Expense	HOME Expense	Other / Local Expense
Home Purchase Assistance Program (HPAP)	231	\$2,037,712	\$425,181	\$2,926,470
Homestead Housing Preservation Program	0	\$1,006,205	0	0

Subtotal	231	\$3,043,917	\$425,181	\$2,926,470
Single Family Residential Rehabilitation Program (SFRRP)	29	\$703,713	\$31,198	\$385,096
Tenant Apartment Purchase Assistance program	109	\$381,394	0	0
Subtotal	138	\$1,085,107	\$31,198	\$385,096
TOTAL	369	\$4,129,024	\$456,379	\$3,311,566

2. Increasing the Supply of Affordable Housing

a. Multi-Family Housing Rehabilitation and New Housing Construction Assistance

DHCD provided CDBG and HOME funding, along with other funding sources, to support the rehabilitation of 956 multi-family affordable housing units, and new construction of 566 multi-or-single-family units. DHCD used Low Income Housing Tax Credits and Housing Production Trust Fund funding to support the development of 657 multi-family units of the 1,521 multi-family total and 347 of the new multi-and single-family units. In total, DHCD provided funding that will produce 1,521 affordable housing units. CDBG funding also assisted in the acquisition of 109 units by tenants under the District of Columbia's First Right Purchase Law.

Table 14: Affordable Housing Production, Expense, FY 2004

Program	Units	CDBG Expense	HOME Expense	Other/Local Expense
DFD Project Financing, Multi-Family Housing CDBG	381	\$6,591,353	\$ 0	\$4,115,192
DFD Project Financing, Multi-Family Housing, HOME	30	0	625,983	0
DFD project Financing, Acquisition for Rehabilitation	208	0	0	\$2,118,582
Tenant Apartment Purchase, Acquisition for Rehab.	109	2,882,700	0	665,000
Total	728	\$ 9,474,053	\$ 625,983	\$6,898,774

In addition, DHCD funded redevelopment of five commercial and community facilities during FY 2004. The Department also financed one technical assistance project, and one pre-development planning project. In total, DHCD provided \$34.3 million in loans and grants to supplement \$230.1 million in private and other financing, for an overall leveraging ratio of 6.7:1 and a residential development leveraging ratio of 5.3:1.

Table 15: Housing Units Created/Rehabilitated, FY 2004

Program	Units	CDBG Funding	HOME Funding	Other / Local Funding*	Private Funding
Multi-Family New Construction	566	\$ 984,853	\$ 0	\$ 5,762,615	\$ 62,651,046
Multi-Family Rehabilitation ¹	955	5,400,000	625,983	9,921,910	97,188,726
Single Family New Construction	0	0	0	0	0
Tenant Purchase Prog.	109	2,882,700	0	665,000	0
Total	1,630	\$9,267,553	\$ 625,983	\$ 16,349,525	\$ 159,839,772

*Note – Count includes HPTF, CIP and LIHTC-funded units.

b. Funding Units by Income Levels and Special Needs:

DHCD makes every effort to serve the diverse elements of its population through the projects it funds. DHCD requires that its funded projects be barrier-free housing, and it has earmarked local Housing Production Trust Fund monies to ensure that purpose. Table 16 shows the number of units funded by household income level and special needs.

Five Projects funded under DFD project funding by DHCD in FY 2004 were for special needs.

These include:

1. 2721 Pennsylvania Ave. SE—6 units of housing for mentally challenged persons,
2. 3471 14th Street, NW—4 units of housing for mentally challenged persons;
3. Independence Place—21 units of transitional housing;
4. JW Kind Senior Center—74 units of affordable senior rental housing, and
5. George Carver Senior Apts.—103 units of affordable senior rental housing

Table 16: FY 2004 DFD Units Funded: By Income Level and Special Needs

Funding Category	Special Needs	Extremely Low \$26,100 (0-30%)	Very-Low \$43,500 (31-50%)	Low-Income \$52,200 (51-60%)	Low-Mod \$68,300 (61-80%)	Senior
LIHTC	0	0	0	170	0	0
HPTF	31	226	249	27	1	177
CDBG	0	22	64	221	93	0
HOME	0	0	0	5	11	0
Totals:	31	248	313	423	105	177

¹ With or without acquisition.

Note: See also section (P.63) on ESG/Continuum of Care for additional units assisted by DHCD funding.

Income Limits based on: Household income for 4-person household as used in the RFP for FY 2005 project funding; Individual programs have specific income levels which are used for that funding source.

3. Non-Housing Community Development

Neighborhood Investments-Community Organization Support.

“Neighborhood Investments” includes a broad range of programmatic initiatives carried out through neighborhood community development organizations working in their local service areas. Grants are based on the capacity of neighborhood community development organizations and tailored to match community needs. DHCD does not fund core organization functions. In FY 2004, DHCD provided funding to 18 neighborhood community development organizations for a total of 27 Neighborhood Based Activities. In FY 2004, Neighborhood Based Activities, which totaled CDBG expense of \$6,269,735, included a range of initiatives such as, housing counseling services, small business and commercial corridor development, support for tenants subject to expiring federal subsidies, and façade storefront improvement. Table 19 contains information on key neighborhood based activities’ Work Programs and funding for FY 2004. See also Appendix B, page 94, for more specific information on activity funded by organization.

Table 17: CDC Neighborhood Investments-Community Organization Support Expense, FY 2004

Program	Units	CDBG Expense	HOME Expense	Other/Local Expense
Neighborhood-Based Activities	N/A	\$5,620,997	\$0	\$0
	N/A		\$0	\$0
Total	N/A	\$5,620,997	\$0	\$0

One of the most important Neighborhood Based Activities is to sponsor business façade redevelopment projects with local merchants. During FY 2004, the Department’s Storefront Façade Program made significant strides. The Action Plan goal was 100 facades. By the end of the fiscal year, 98 façade renovations had been completed in the following commercial districts: Upper Georgia Avenue; H Street, NE; Anacostia; and Minnesota/Benning. In addition, significant retooling of the appropriate policies and parameters of the Façade Storefront Improvement program took place.

DHCD set an Action Plan goal of 4,000 for housing counseling. Also in FY 2004 DHCD expanded its preventive housing counseling services with a new activity focused on providing training and support for tenants subject to expiring federal housing subsidies. As part of this activity, DHCD provided training and assistance to over 3,506 tenants in 39 multi-family properties. The combined number of households counseled was 9,331.

Table 18: Job Creation, Business Counseling and Housing Counseling Funding, FY2004

Program	Units	CDBG Funding	HOME Funding	Other / Local Funding
DFD Job Creation	4,305	Jobs are created from all projects and all sources		
Small Business TA—Com. Corridor Asstnc.	1,581	\$1,077,593.38		
Housing Counseling	9,331	\$2,016,061.09		
TPTAP Housing Counseling	6,665	\$330,000.00		
Total	21,882	\$2,346,061.09		

Community and Commercial Development

The District adopted a strategy to create job and business opportunities for District residents as part of its effort to create and maintain healthy and viable neighborhoods. This has several benefits, including a stronger tax base, more stable neighborhoods and more income to afford increasing housing costs.

Table 19: Community and Commercial Development Expense, FY 2004

Program	CDBG Expense	HOME Expense	Other/Local Expense
Economic Development Program	\$48,511.	\$0	\$ 440,169
Urban Renewal and Community Development; Property Management	\$ 2,568	\$0	\$0
Community Development Planning Contracts and Studies	\$0	\$0	\$0
Special Grants Program	\$131,344	\$0	\$0
NCRC	\$529,182	\$0	\$0
Total	\$711,605	\$0	\$ 440,169

DHCD does not assume the lead DC role in major economic or commercial development. In a supportive role, DHCD funded, under community and commercial development, two Section 108 Loan Service Payments, Mortgage counseling services for HomeFree, USA, technical advice for 320 businesses through the Georgia Ave. Business Resource Center, property maintenance for 25 properties (including salaries and benefits), and processing of abandoned properties for acquisition and sale as affordable housing under the Home Again Program.

An important vehicle for achieving this strategy is the operation of a CDBG-funded micro-loan program through the H Street Community Development Corporation. In FY 2004, DHCD funded micro-loan assistance to the following ventures:

Details on the FY 2004 micro-loan activity:

■ Mb Staffing New loan made in 2004	\$25,000
■ BK Henry Funeral Home New loan made in 2004	\$25,000
■ Solutions for Hair New loan made in 2004	\$7,000
■ Hillman Barbershop New loan made in 2004	\$20,000
■ Capitol Hill Veterinary Clinic Loan made for salaries, 2002 loan continued to be serviced in 2004	\$25,000
■ Modern Liquors 2003 loan made for working capital, continued to be serviced in 2004	\$25,000
■ Kuumba Kollektibles (Commercial printing) 2003 loan made for working capital, continued to be serviced in 2004.	\$25,000

3. Other Uses

General Administration and Overhead

Table 20: General Administration and Overhead Expense, FY 2004

Program	Units	CDBG Expense	HOME Expense	Other/Local Expense
General Administration and Overhead	N/A	\$5,512,510	\$589,945	\$2,095,045
Total	N/A	\$5,512,510	\$589,945	\$2,095,045

PART 4. PROGRAM PERFORMANCE—CDBG, HOME AND ESG